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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/276,823	03/26/1999	JOSEPH C. KAWAN	CITI0087-US	2667

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EXAMINER
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BASHORE, ALAIN L

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 12/21/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b> 09/276,823	<b>Applicant(s)</b> KAWAN ET AL.	
	<b>Examiner</b> Alain L. Bashore	<b>Art Unit</b> 3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) ☒ Responsive to communication(s) filed on 04 October 2004.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) ☒ Claim(s) 1 and 3-48 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1 and 3-48 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## **DETAILED ACTION**

### ***Response to Arguments***

1. In view of the appeal brief filed on 10-4-04, PROSECUTION IS HEREBY REOPENED. A new ground of rejection is present because of newly included 35 U.S.C 112 rejections is set forth below.

To avoid abandonment of the application, appellant must exercise one of the following two options:

(1) file a reply under 37 CFR 1.111 (if this Office action is non-final) or a reply under 37 CFR 1.113 (if this Office action is final); or,

(2) request reinstatement of the appeal.

If reinstatement of the appeal is requested, such request must be accompanied by a supplemental appeal brief, but no new amendments, affidavits (37 CFR 1.130, 1.131 or 1.132) or other evidence are permitted. See 37 CFR 1.193(b)(2).

### ***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

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3. Claims 1-48 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

There is recited in the independent claims "application-specific value" and "general value". These separate recitations are further recited as stored on separate "electronic applications". A lack of written description appears to be present because there is further recited in the independent claims an exchangeability and compatibility which would not allow one with ordinary skill in the art at the time the application was filed to distinguish one type of value over the other, and therefore be able to practice the invention as claimed.

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 1-48 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

There is recited in the independent claims "application-specific value" and "general value". The meets and bounds are not clear for each type of value so that the

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recitations are vague and indefinite, especially since there is also claimed an exchangeability and compatibility between the two values.

***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 1, 3-35, 37-42, and 44-48 are rejected under 35 U.S.C. 103(a) as being unpatentable over Carlisle et al in view of (Derksen and Gungl et al) in further view of Electronic Payment Systems.

Carlisle et al discloses a system for performing a financial transaction. Multiple electronic applications store multiple application-specific values in the memory of a smart card (410; fig 10). A first terminal loads electronic applications onto the memory (col 18, lines 1-56), and a second terminal adjusts the amount of the application-specific value (Visa, MasterCard, food stamps etc...; fig 11; col 2, lines 25-30). The transaction application is stored in the second terminal (R/W 418). A transaction application associated with at least one of the electronic applications performs a value exchange, wherein the application-specific values are each exchangeable in the transaction application (fig 12-14; col 1, lines 65 -67; col 22, lines 1-30; col 23, lines 40-58; col 24,

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lines 4-18). The application-specific values are inherently compatible within said system for performing financial transactions since they perform transactions.

A communication interface (4130, 4140; fig 10, col 18, lines 43-56), which may be contact-less (4125-4128; 4255-4158; fig 10, col 18, lines 43-56), transfers application specific value to or from different electronic applications. The transfer may be at least a portion of one of the application-specific values (col 3, lines 59-67). The financial transaction utilizes a first electronic application formatted for utilization with a settlement system associated with a second electronic application (fig 14; col 4, lines 1-18; col 21, lines 56 -67).

An auto-load application loads new application-specific value into first or second electronic applications that may be exchanged for a debit to a credit account (col 16, lines 55-60; col 21-lines 47-67; col 23, lines 10-29; col 23, lines 40-64).

The transaction is secured by encryption on the smart card utilizing purchase keys as a security mechanism (col 12, lines 42 -67; col 13, lines 1-11). A purchase device is utilized for removing value from said smart card (410, 415; fig 10). A funding source receives funds in exchange for transferring at least one of said application specific values to the smart card (col 21, lines 37-56). A settlement system is also present for accounting for the flow of application-specific value among the smart card and the purchase device (col 2, lines 25-28; col 14, lines 35-47).

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A point-of-sale network is established between the smart card and a corresponding device (fig 10; col 17, lines 22 -37). Sufficiency of application-specific value as the amount inquired to perform the financial transaction and exchanging the sufficient amount or exchanging a deficient amount from other application-specific value (fig 13-14; col 23, lines 10-67). Usage may be tracked in order to determine a reward (col 16, lines 41-64; col 20, lines 15-22).

Carlisle et al does not explicitly disclose:

storing general value in an electronic application;

application-specific value and the general value each exchangeable with each other in a transaction application;

transfer includes at least a portion of each of said application-specific value and said general value;

new application-specific value is exchanged from said general value;

new general value loaded by the auto-load;

the settlement system additionally accounting for the flow of new general value;

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new general value amount as the value for determining sufficiency; and, exchanging a deficient amount from: general value or from general value that was converted from application specific value.

Derksen discloses storing general value in an electronic application (col 1, lines 11-50; col col 1, lines 54-67; col 2, lines 1-9).

It would have been obvious to one with ordinary skill in the art to include storing general value in a separate electronic application to Carlisle et al because Derksen teaches general value as a separate application (col 1, lines 11-50), and Gungl et al teaches that multiple applications may be usable on a single smart card (col col 2, lines 26-56).

It would have been obvious to one with ordinary skill in the art to include a transfer of at least a portion of each of said application-specific value and said general value, or exchange there between, because Carlisle et al teaches the desirability of transferring portions of values for payment purposes (col 4, lines 3-10).

It would have been obvious to one with ordinary skill in the art to include new general value loaded by the auto-load since Carlise et al teaches auto-load to fulfill insufficient balances (col 21, line 40).



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It would have been obvious to one with ordinary skill in the art to include the settlement system additionally accounting for the flow of new general value to Carlise et al because both Carlise et al and Derksen teach accounting of payments.

It would have been obvious to one with ordinary skill in the art to include new general value amount as the value for determining sufficiency to Carlise teaches the importance of sufficiency of accounts (col 21, lines 1-36).

It would have been obvious to one with ordinary skill in the art to include exchanging a deficient amount from: general value or from general value that was converted from application specific value because Carlise et al teaches exchange as a means to cover sufficiency of an account (col 21, lines 35-46).

Electronic Payment Systems discloses exchangeability between application-specific value and general value (p 212, para 7.2.8).

It would have been obvious to one with ordinary skill in the art to include application-specific value and general value exchangeable that are exchangeable with each other to Carlisle et al in view of (Derksen and Gungl et al) because Electronic Payment Systems teaches such for customer convenience and as a service to charge a fee (p212, para 7.2.8).

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8. Claims 36 and 43 are rejected under 35 U.S.C. 103(a) as being unpatentable over Carlisle et al in view of (Derksen and Gungl et al) in further view of Electronic Payment Systems as applied to claims above, and further in view of Taskett.

Carlisle et al in view of (Derksen and Gungl et al) in further view of Electronic payment Systems does not explicitly disclose:

adding a predetermined amount of application-specific value to the smart card if a sufficient amount of the application-specific value does not exist; and,

exchanging all of the application-specific value, automatically loading new application-specific value, and exchanging at least a portion of the new application-specific value to complete the financial transaction.

Taskett discloses adding a predetermined amount of application-specific value to the smart card if a sufficient amount of the application-specific value does not exist (col 7, lines 15-44; col 8, lines 12-18). Taskett also discloses exchanging all of the application-specific value, automatically loading new application-specific value, and exchanging at least a portion of the new application-specific value to complete the financial transaction (col 2, lines 45-52).

It would have been obvious to one with ordinary skill in the art to include adding a predetermined amount of application-specific value to the smart card if a sufficient

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amount of the application-specific value does not exist to Carlisle et al in view of (Derksen and Gungl et al) in further view of Electronic payment Systems because Taskett teaches as wasteful discarding spent cards (col 1, lines 35-45).

It would have been obvious to one with ordinary skill in the art to include exchanging all of the application-specific value, automatically loading new application-specific value, and exchanging at least a portion of the new application-specific value to complete the financial transaction to Carlisle et al in view of (Derksen and Gungl et al) in further view of Electronic payment Systems because Taskett teaches that a card may become spent during an ongoing metered transaction such that recharge is required so that the metered transaction may continue (col 2, lines 39-52).

### ***Conclusion***

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Alain L. Bashore whose telephone number is 703-308-1884. The examiner can normally be reached on about 7:00 am to 4:30 pm (Monday thru Thursday).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 703-308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Alain L. Bashore  
Primary Examiner  
Art Unit 3624